WEEKLY ECONOMIC REVIEW

September 5, 2008

Alberta lost 4,200 jobs in August compared to July, as the decrease in part-time jobs more than offset the increase in full-time jobs. The province's unemployment rate nonetheless edged down 0.1 percentage point to 3.5% as many people, particularly youth, left the labor force. Year-to-date, employment is up 2.9%. Nationally, Canada added 15,200 jobs in August. The national unemployment rate remained unchanged at 6.1%.

The U.S labor market continued bleeding. Total employment was down 84,000 (-0.1%) in August, the eighth monthly decline of the year. Since the start of 2008, the U.S. economy has lost 605,000 jobs. The U.S. unemployment rose from 5.7% in July to 6.1%, the highest level since September 2003. This was the first time in 26 years that U.S. had the same or a higher unemployment rate than Canada.

The prices Alberta farmers received for their products rose by 2.3% from May, as strong crop prices offset a decrease in livestock prices. On a year-over-year basis, the overall price level has jumped 19.9%. Grain prices edged down 0.3% from the previous month, but are still up 65.7% year to date. After four consecutive monthly price increases, livestock prices declined 0.1% from May, largely due to the 5.3% drop in hog prices.

As widely expected, the Bank of Canada kept its overnight rate on hold at 3%. The Bank now expects weaker growth for the U.S. economy in 2009 and a moderation in inflation due to the recent decline in energy prices.

Cdn Dollar (US¢/CS)

September 5, 2008	94.0
August 29, 2008	94.1
2008-09 YTD	98.0

WTI Oil US$/bbl

September 4, 2008	$ 107.89
August 28, 2008	$ 115.59
2008-09 YTD	$ 123.97

Nymex Natural Gas CS/MMBtu *

August Contract

September 5, 2008	$ 7.82
August 29, 2008	$ 8.63

*Estimate based on Nymex Futures Market Price

The energy market remains unsettled. Oil prices dropped below the US$110/bbl level for the first time since April, as the fears of a production disruption from Hurricane Gustav did not materialize. Concerns that a global economic slowdown will dampen oil demand continue to rise. Crude oil prices closed at US$107.89/bbl on Thursday, and dropped another US$2 in Friday morning. Natural gas prices also dropped more than 9% for the week.

A slowing Canadian economy and the correction in energy prices continue to put more downward pressure on the Canadian dollar. The loonie hit a one-year low of US¢93.45/C$ on Tuesday, but managed to bounce back a little on the positive job numbers.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month(Y/Y)	Year-to-date[1]
Employment (000s) [2]	**August**			
Alberta	2,007	-0.2%	2.0%	2.9%
Canada	17,099	0.1%	1.3%	1.8%
United States	137,473	-0.1%	-0.2%	0.2%
Farm Product Price Index – Alberta (1997=100)	**June**			
Grains	184.5	-0.3%	67.9%	65.7%
Livestock	100.9	-0.1%	1.4%	-7.9%

Source: Statistics Canada. [1]Year-to-date compared to the same period in the previous year. [2] Seasonally adjusted.